

MAILS  
From San Francisco:  
Wilhelmina, Oct. 26.  
For San Francisco:  
Laurine, Oct. 26.  
From Vancouver:  
Makura, Nov. 2.  
For Vancouver:  
Niagara, Nov. 12.

# Honolulu Star-Bulletin

2:30  
Edition

Evening Bulletin, Est. 1882, No. 6304  
Hawaiian Star, Vol. XXIII, No. 7345

14 PAGES—HONOLULU, TERRITORY OF HAWAII, TUESDAY, OCTOBER 26, 1915.—14 PAGES

PRICE FIVE CENTS

## McGRATH "JAIL-BREAK" TRAIL LEADS TO GRAND JURY

### Peace Move Rumored

### Spain And U. S. In It?

### VON BUELOW AND CHANCELLOR SAID TO BE PLANNING

Rumor Comes From London and Lacks Confirmation From Any Source

### U. S. PROSECUTING FAY AND HIS MATE

Trying to Get at Bottom of Alleged Plot to Blow Up Ships Carrying Munitions From United States

(Special Star-Bulletin Correspondence)  
LONDON, England, Oct. 26.—It is reported here that Prince von Buelow, former ambassador to Italy, and the German chancellor, Dr. von Bethmann-Hollweg, will soon submit to King Alfonso of Spain and President Wilson an outline of the conditions on which Germany might discuss peace. The report is unconfirmed.

### SHIP PLOT IS CHARGED

NEW YORK, N. Y., Oct. 26.—Robert Fay, the German arrested in New Jersey and charged with scheming to attach infernal machines to vessels leaving port with munitions, the object being to blow them up at sea, was arraigned today and formally charged with connection with a plot to explode munitions ships. Scholz (Scholtz), who was arrested with Fay and is said to be a relative of the German lieutenant, was arraigned also.

Paul Daech, who claims not to be mixed up with the others in any way, but who has also been arrested by the federal secret service men, was arraigned today also.

Chief Flynn of the United States secret service signed the complaint, which charges the trio and Max Breitung, who is still at large, and Dr. Herbert Kreinzie, arrested yesterday, with conspiring against the United States. Dr. Kreinzie has been released on bail.

### TEUTON LOSSES HEAVY

LONDON, England, Oct. 26.—The Nieuwe Rotterdamse Courant of Rotterdam says that Germany lost from October 11 to October 20 57,424 dead, missing and wounded. The total losses of the Central Empires for the war are placed by this paper at 5,000,000.

### RUSSIAN ARMIES AROUND RIGA, DVINSK HOLD OUT

LONDON, England, Oct. 26.—The Russian armies on the northeast line are still stubbornly defending Riga and Dvinsk and checking the efforts of the Germans to reduce these fortresses and perfect their plans for winter campaign quarters.

There is also evidence that on the west the Allies are preparing for a new offensive, intended to prevent Germany from diverting the forces she is compelled to maintain on the western line to keep it unbroken.

### GERMAN PAPER POINTS OUT SUBMARINE WORK

BERLIN, Germany, Oct. 25.—The German forces are advancing today on all fronts. They have retaken the positions captured by the French on Sunday.

A German newspaper figures that during the entire war to date German submarines have torpedoed 16 British warships, one French warship, three Russian and one Japanese, and that against this only three German warships have been sunk by submarines.

The coldest inhabited country is said to be the province of Werchajansk, in Oriental Siberia. The daily mean temperature of the entire year is 2.74 degrees below zero.

### Iron Fence

Structural and Ornamental Iron  
H. E. HENDRICK, LTD.  
Merchant and Alaska Sts.

### New Matson Liner Will Cost More Than \$1,600,000; Building Sure

The new Matson liner, word of which came by Associated Press a few days ago, will be more than the million-dollar vessel the dispatch heralded. It will be "another Matsonia" and will cost more than the present queen of the Matson fleet.

Confirmation of the recent Associated Press despatch that Capt. William Matson, president of the Matson Navigation Company, was to build another liner, arrived this morning in the shape of a cablegram from the head office of the corporation, in San Francisco, to John H. Drew, manager of Castle & Cooke's shipping department.

This stated that the contract has been placed by Captain Matson with the Union Iron Works of San Francisco for a ship to duplicate the Matsonia and to be completed within the next 15 or 16 months. This means (Continued on page four)

### SUGAR INDUSTRY NOW OPTIMISTIC ON TARIFF PLAN

### J. P. Cooke Expects Congress Will Accept Suggestion to Retain Existing Duties

Congress will approve by early legislation the recommendations of Secretary of the Treasury McAdoo for the retention of the existing sugar duties, in the belief of J. P. Cooke, president and manager of Alexander & Baldwin, who returned today from a business and vacation trip to the mainland.

From a brief talk by Mr. Cooke this morning it may be gathered that he is definitely optimistic as to the future of the sugar producing industry as concerned with the tariff. He points out that undoubtedly the secretary's recommendations, backed by the administration forces, will be accepted by Congress.

"As I look at the situation," said Mr. Cooke at his office, shortly after his return, "it resolves itself into this question 'Who will oppose Mr. McAdoo's recommendations?' And I do not believe either Republicans or Democrats will do so.

"The secretary of the treasury certainly has not made these recommendations without the consent and approval of the president and the administration forces may be regarded as standing firmly by the course suggested. A large number of Democrats were already in favor of the retention of the tariff and after this formal announcement others will express their own approval."

Asked whether or not there appears to be any tendency among Republicans of influence to try to secure a larger measure of protection on sugar later will be held in the Nuuanu cemetery, where the remains will be interred. Rev. Father Stephen will officiate at both services.

Mr. Murphy is survived by a widow and one daughter, Thelma Katherine; two brothers, Charles and Frank Murphy, and a sister, Mary Elizabeth, all of whom reside in New York City.

The news of Mr. Murphy's death came as a severe shock today to those who knew and loved the genial federal court clerk. From the day of his in-

(Continued from Page Four.)

### NAB AN CHOY FOR FORGING OPIUM PERMIT BLANKS

### Korean Accused of Stealing Forms From Physicians and Signing Prescriptions

After a three-day chase in which internal revenue officers, United States marshals and city detectives were engaged, An Choy, a Korean, was run down and arrested last night at Wai-pahu by Arthur McDuffie, chief of detectives. Choy is said to have stolen from the offices of four physicians in Honolulu 10 or more of the blanks which are required by law to be used in the purchase of opium. He is accused of having forged the doctors' names, presented the orders, and after buying opium sold it again at an enormous profit.

Choy's system was ingenious and it is said he has worked for weeks before being missed by the physicians. Going into a doctor's office he posed as a patient, and when the physician turned his back or left the room for a moment he tore a sheet of blanks from the center or back of the book, where they would not be missed. Blanks signed with the names of Doctors Samuel D. Barnes, William C. Hobdy, W. H. Ketchum and Carl Keller were found on file at the Hawaiian Drug Company's store at 42 Hotel street, and all of them are said to be physicians whose names are signed to be forgeries.

Blanks Missing From Four.  
Dr. Keller first missed blanks from his book, and immediately made a report to John F. Haley, collector of internal revenue. Haley took the case up with the United States district attorney, and after examining the nar-

(Continued on page two.)

### MURPHY IS DEAD; GLOOM CAST ON COURT CIRCLES

### End of Long Illness Comes During Early Morning Hours for Well Liked Honolulu

Augustus Edwards Murphy, for the last seven years clerk of the local United States district court, died at his home in Victoria street shortly after 4 o'clock this morning, following an illness which lasted nearly a month and a half.

Funeral services, to which friends of the family are asked to attend, will be held from the residence at 3 o'clock tomorrow afternoon. Private services later will be held in the Nuuanu cemetery, where the remains will be interred. Rev. Father Stephen will officiate at both services.

Mr. Murphy is survived by a widow and one daughter, Thelma Katherine; two brothers, Charles and Frank Murphy, and a sister, Mary Elizabeth, all of whom reside in New York City.

The news of Mr. Murphy's death came as a severe shock today to those who knew and loved the genial federal court clerk. From the day of his in-

(Continued on page four.)

### STOCK DIVIDEND OF HALF MILLION IS GIVEN REVIEW

### History of Growth of Rapid Transit Issues of Securities Outlined in Court

In 1902, when the construction of the company was still in its infancy, and at the time of the authorization of a bond issue of \$1,000,000, the Honolulu Rapid Transit & Land Company issued a stock dividend of \$500,000 in order to bring the total capital stock issue to a round million dollars.

Of this amount the actual capital contributed by stockholders in the company amounted to only \$500,000. The company's contention at that time was that it was permitted to issue the stock dividend of \$500,000 as the value of its tangible and intangible property—including the franchise which the Rapid Transit valued at \$500,000—was claimed by the company to exceed \$1,000,000.

The foregoing are thought to be the two points of greatest importance brought out today in the trial of the injunction suit brought by the territory against the Honolulu Rapid Transit & Land Company, in which the former is seeking to restrain the company from further increasing its capital stock.

(Continued on page two.)

### MAIN DATES OF McGRATH ESCAPE

February 3, 1915—Three Chinese taken to McGrath's home in Kalihi to buy opium are robbed of \$700.  
February 4—John J. ("Jack") McGrath arrested, held by police for investigation.  
February 5—H. B. Lewis and J. T. Scully arrested, all three charged with robbery.  
February 18—Scully and McGrath indicted by territorial grand jury.  
March 18—Grand jury returns further indictments against Scully, McGrath, G. A. ("Bert") Bower and Paul H. Boggs.  
March 26—McGrath, Scully and Bower plead not guilty.  
April 12—Indictment against Scully quashed. Strong reports he has turned state's evidence.  
April 14—Bower and McGrath plead guilty to second-degree robbery.  
April 26—McGrath and pals ordered to appear for sentence on May 1.  
April 30—McGrath escapes at night from county jail.  
May 5—Sentences passed on others. Scully given suspended sentence of 15 months, Boggs a week at hard labor, Bower three and one-half years at hard labor, Lewis two years at hard labor.  
Since above date the McGrath case has been continued from time to time in territorial court. McGrath still missing.

### MUCH BUSINESS AWAITS HARBOR BOARD ACTION

Two members of the board of harbor commissioners, Territorial Treasurer C. J. McCarthy and T. McChesney, arrived this morning on the Wilhelmina and a meeting of the board will now be called as soon as possible. Several meetings have been held on account of the lack of a quorum, and during the interim business of importance has been piling up.

One of the first things to be considered at the next meeting is the placing of the several hundred fishing sampans which are now in the harbor, and which will have to be removed as soon as work is begun on the new piers, Nos. 8, 9 and 10. Superintendent C. R. Forbes has been holding up any decision until after the arrival of Church and McCarthy.

Treasurer McCarthy's trip to the coast was taken to attend the national convention of insurance commissioners which was held in San Francisco. The treasurer reports that the convention was a success in every detail, 33 states being represented, sometimes with five or six insurance men from the same state.

McCarthy gave to the representatives and their wives assembled there, brought many inquiries from his hearers as to steamer schedules, hotel rates, and similar details.

"Many of them considered the islands wild and uninhabited by civilized people," says McCarthy, "and I did my best to put them right on the subject, and tell them the truth of things. Many of them expressed the wish to visit the islands, but could not this time because their stay was limited. They had not yet visited the fair when they were at the convention, and so had not had the opportunity yet of seeing the Hawaii exhibit in the state building."

### CABLE REQUEST FOR SPECIAL TRANSPORT FOR OAHU ARMY MEN

With eyes turned toward Washington, officers and men on leave, with expired terms of order on leave, to get to the mainland are anxiously awaiting reply to the wireless sent by the quartermaster's department to headquarters at the capital, asking for an extra transport to take back some of the men who have been waiting here for months for a chance to "go home."

Information that the Logan, which leaves here November 5, had but five first class and no second class accommodations, and that the Sheridan, which comes December 5, has not even room for a single man, led the quartermaster to ask Washington for an extra transport to relieve the situation. It was explained to the department that many men are waiting here with apparently no chance of getting away, and the urgent need of another transport at once was pointed out.

Eighteen thousand to 20,000 cubic feet of natural gas equal a ton of coal for heating and cooking purposes.

In a bunch of bananas received from Jamaica at Pittsfield, Mass., fruit merchants found a bird's nest with two eggs in it.

Albania has a population of 880,000. There are 217,586,892 Hindus, 66,647,299 Moslems, 10,721,453 Buddhists and 3,876,203 Christians in India.

### REVELATION OF CONDITIONS, MADE BY PRISONER WILL BE PUT UNDER PROBE OF JURORS

### Aftermath of Sensational Getaway Last April Comes In Report of Jail Scandal

### STORY OF FRED GOUGH, WHO SAYS OFFICIAL LAXITY WITH "BADGER-GAME" GANGSTERS WAS NOTORIOUS, LAID BEFORE COUNTY ATTORNEY AND ATTORNEY-GENERAL—COUNTY ATTORNEY BROWN SECURES CORROBORATION AND PREPARES TO PUT MATTER BEFORE GRAND JURY THURSDAY—GOUGH SAYS MCGRATH WAS SET LOOSE WHEN GATE WAS OPENED FOR HIM, AND THAT HIS ESCAPE WAS ENCOURAGED BY NEGLIGENCE OF JAILER FERN, DEPUTY PUNOHU AND THE GUARDS

"The information which has come to my office regarding conditions at the county jail at the time of the McGrath escape warrant me in presenting the matter to the territorial grand jury, and I have already taken steps to do so. I intend to draw this to the jury's attention on Thursday. The corroborated statement of laxity, of gambling, drinking and other liberties, demands official investigation and public statement of the facts."—City and County Attorney A. M. Brown.

The Star-Bulletin presents herewith for the first time the "inside" story of the escape from the county jail of John J. McGrath, member of the Scully-Bower-Boggs-McGrath gang.

This gang, which conducted the "badger-game" holdups and opium deals with Chinese until last February, was broken up when its leaders were arrested one after the other, tried and convicted on various charges.

McGrath, awaiting sentence, made a getaway from the county jail on the night of April 30. The manner of his going, the men who aided him, and his movements afterwards, have been a mystery ever since. Police and prosecuting officials have been unable to locate him and bring him back. And the facts surrounding his escape have never reached the public.

The story the Star-Bulletin presents below is told by the man who says that he himself opened the big gate of the county jail and allowed McGrath to escape. He tells of the incidents leading up to the escape. He says that when McGrath slipped out of the jail-yard on the night of April 30, he was outside met him with an auto and whisked him away to safety.

The information given to the Star-Bulletin and published herewith is that of a fellow-prisoner of McGrath and the others—Fred Gough, who was doing time for passing a "bad check"—Gough, finished his term last week. Not until he was freed did he dare to tell what he says is the true story of McGrath's getaway. He insists that if he had told the story before he would not have been safe in jail.

Gough's statement has been given at length to Attorney-general Stainback and to City and County Attorney Brown. When given to the attorney-general it was considered to be directly within the province of the county attorney's office and referred by Mr. Stainback to Mr. Brown, who at once began a searching examination of the facts preparatory to presenting the matter to the territorial grand jury.

### TELLS OF LAX CONDITIONS AT COUNTY JAIL

While Gough was serving his sentence he was put in charge of the dispensary, having had previous experience in the handling of drugs. The dispensary is in a small room opening off from the hospital room where Scully, McGrath, Boggs, Bower and Lewis were kept.

Through his continuous attendance at the dispensary, Gough was able to see virtually everything that was going on in the hospital.

In the dispensary is a bath-room with a window. Through this window, Gough says, it was the custom of the men to make their frequent exits. They went over the fence. The guard was lax, he says. It was over the fence, as he explains, that McGrath was to have made his escape on the night of April 30, but instead, the guards being asleep, McGrath walked down to the gate—which was not locked—Gough opened it, and McGrath walked out.

Gough readily admits that he opened the gate for McGrath. He says, however, that he did so in the belief that McGrath was merely going on one of the frequent visits to the outside which all the members of the gang were allowed to make. Seeing them permitted all sorts of liberties, says Gough, he opened the gate for McGrath merely for convenience, knowing, so he declares, that the jailer, the deputy jailer and the guards winked at the repeated absences of the gangsters from jail without authorization.

### PRISONERS GIVEN REMARKABLE LATITUDE

Gough's story as told to the Star-Bulletin and laid before territorial and county authorities, is a sensational revelation of the lax administration at the county jail.

From the time the gangsters were sent to the jail awaiting trial, Gough declares, they were given remarkable latitude. The guarding was a farce. They were treated like privileged guests. They were housed in the jail hospital instead of the cells, whereas only one of them, Gough insists, was ill. Under the noses of Jailer Joseph J. Fern and Deputy Jailer William K. Punohu, Gough asserts that booze was brought to the men in large quantities.

He declares that gambling was openly indulged in, night and day. He relates that on numerous occasions women from the Twiell district and other women and girls of doubtful repute were allowed to see the prisoners and remain with them from 15 minutes to two hours.

He maintains that on numerous occasions one or all of the supposed prisoners would slip out of the hospital, usually by a window, climb the wall and be gone for hours at a time.

Gough's story also asserts that often the men would telephone to the sheriff that they wanted to get out to look for bail, or on some other pretext, and would be let go in custody of a police officer. This custody, Gough says, was usually a joke. The prisoners would do what they wanted and go where they pleased, often coming back to the jail plainly under the influence of liquor.

Gough further declares that the men seemed to be able to get what they wanted in the way of privileges from Sheriff Rose. He says that when they disliked any of the guards or had any other grievance they would telephone to Rose and he would fix it all right for them.

GOUGH'S STATEMENT IS GIVEN CORROBORATION.  
Corroborating Gough's statement in essential particulars is the story of George Wilcott, a former soldier, who was serving a year's sentence for gross cheat. Wilcott was often in and about the hospital where the men often came to see the doctor. He says he saw the drinking and gambling, women in custody. He says he saw the other incidents related by Gough, from the Twiell district visiting the men, and other incidents related by Gough, and heard also of the circumstances of McGrath's escape.

Wilcott finished his sentence last Friday. His statement has been taken by the county attorney's office for presentation to the grand jury.

Like Gough, Wilcott declares he was afraid to speak while confined in jail but had determined as soon as he got out to tell the authorities of inside conditions.

Both men have furnished the county attorney's office with the names of several other prospective witnesses.

Fred Gough's story charges grave laxity to officials at County Jail